

Railway Age

...for the new age of railways

April 1987

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THE ARCHITECTS OF CHANGE.

"We're in a period of transition in intermodal. At Trailer Train, we try to anticipate change, so that we are prepared when it comes."



**Raymond C.
Burton, Jr.**

Amtrak goes for growth
in mail, express revenue

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TT's CEO sees his company's mission as "providing high-quality equipment in adequate quantities and managing it well"—and so far, it's "mission accomplished."

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Only a few years out of bankruptcy, NYS&W has added mileage, more than tripled conventional tonnage, and captured double-stack traffic through a shrewd deal with Sea-Land.

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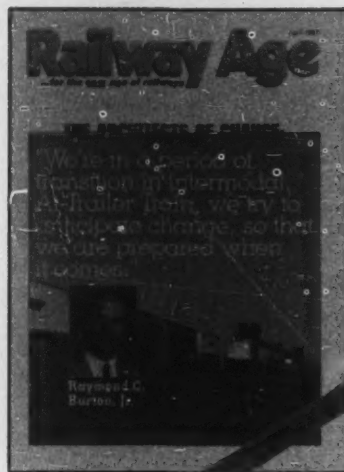
Burlington Northern's customer-information system combines sophisticated voice response equipment, provided by Voice Computer Technologies, with shipment tracing software.

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Amtrak continues to narrow the gap between revenues and expenses—and one reason is a mail-and-express business whose growth has been spurred by a new head-end fleet.

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Market Outlook

Capital expenditures

Amtrak: An FY 1988 capital program of \$86.7 million includes provision for new diesel and electric locomotives and conversion of older Metroliner cars into push-pull equipment. The program is contingent on a federal capital grant. (For details, see p. 54.)

PATH: A five-year, \$760-million capital program starting this year earmarks \$180 million for cars, \$200 million for shops and yards, \$120 million for safety, \$95 million for electrical improvements, \$90 million for stations and the remainder for miscellaneous projects. (For details, see p. 54.)

Equipment

Burlington Northern: Acquired an additional 30 stack cars, bringing its operating pool to 1,000 wells. Through an agreement with Conrail, BN now provides daily stack-train service from the Pacific Northwest to the East Coast, with sixth-morning arrival.

New York Metropolitan Transportation Authority: Ordered 200 R-68 cars, for the New York City Transit Authority, from Kawasaki at a cost of \$958,000 each. NYCTA President David L. Gunn said the decision to purchase the cars from Kawasaki rather than from Westinghouse-Amrail, which earlier won orders for 425 R-68 cars, was "basically a matter of price." Westinghouse-Amrail, a U.S.-French consortium, had offered to build the additional cars for \$1,012,000 each.

Facilities

Egyptian National Railway: A \$3.2-million contract, funded by the Canadian International Development Agency, has been awarded to Canadian Pacific Consulting Services Ltd., subsidiary of Canadian Pacific Limited, to improve stores management. The 32-month project involves development and implementation of a computer-based stores management and inventory control system for maintenance of locomotives supplied by CIDA.

Iowa Interstate Railroad: A \$3.5-million 1987 track program calls for installation of 10 miles of cwr relay rail, insertion of 100,000 crossties, and surfacing of 200 miles.

MNVA Railroad: Has budgeted \$1.6 million for installation of up to 40,000 crossties, surfacing of 25 miles, and rebuilding of 17 grade crossings.

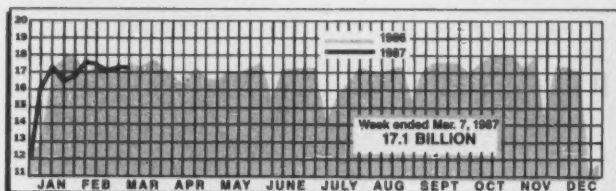
Wisconsin & Southern: Will spend \$550,000 for installation of 1.5 miles of relay rail, insertion of 5,800 crossties, and surfacing of 71 miles.

Revenue freight carloadings

Commodity	March 7 week	Feb. 28 week	Feb. 21 week	Feb. 14 week
Grain	28,128	26,566	26,106	26,692
Other farm products	3,385	3,285	3,236	3,405
Metallic ores	13,890	14,566	12,144	12,343
Coal	104,571	103,521	107,280	108,316
Crushed stone, gravel and sand	11,380	9,910	9,539	10,656
Nonmetallic minerals	8,617	9,068	8,859	8,785
Grain mill products	11,128	11,429	11,382	11,589
Food and kindred products	11,165	11,185	10,651	11,509
Primary forest products	10,536	10,179	10,220	11,251
Lumber and wood products except furniture	7,993	6,917	8,479	8,167
Pulp, paper and allied products	12,750	13,548	12,963	13,170
Chemicals and allied products	26,402	28,860	27,326	26,775
Petroleum products	4,732	4,754	4,791	4,675
Stone, clay and glass products	9,988	9,116	8,457	9,669
Coke	4,495	4,187	4,227	4,238
Metals and products	8,201	8,747	7,949	9,007
Motor vehicles and equipment	21,506	22,183	21,640	22,241
Waste and scrap materials	6,694	8,761	8,470	8,895
Forwarder and shipper assn. traffic	2,999	3,065	2,598	2,862
All other carloads	73,856	72,508	71,437	73,636
LCL traffic	115	99	92	103
Total Cars Loaded	384,533	384,526	377,848	387,984
% change from previous year	0.1	(1.7)	1.6	5.2
Estimated revenue ton-miles (billions)	17.1	17.1	17.0	17.4
% change from previous year	(1.0)	(2.3)	(1.3)	(3.4)
Total:	1987	1986	% change	
10 weeks	164.7	168.1	(2.0)	

Rail freight traffic trends

Billions ton-miles (Estimated)



Source: Association of American Railroads

Piggyback loadings

	Feb. 28 week	Feb. 21 week	Feb. 14 week	Feb. 7 week
Trailers/containers	98,452	94,521	100,117	98,531
Cumulative total, 9 weeks	831,581			% change from 1986
Trailers/containers				3.3

The American Railway Car Institute and the Association of American Railroads are now compiling freight-car and locomotive production statistics on a quarterly rather than a monthly basis. The first quarterly report will be published in the May issue.

Lines on Labor

Can railroads learn a lesson from Ford's book?

The speaker was Donald E. Petersen, chairman and chief executive officer of Ford Motor Co. He was talking about today's buzz-phrase, "corporate culture," but he was talking in eminently practical terms. He was talking about what he called Ford's "governing document," its statement of Mission, Values and Guiding Principles (MVGP for short).



GUS WELTY

MVGP at Ford has six principles:

- Quality comes first.
- Customers are the focus of everything we do.
- Continuous improvement is essential to our success.
- Employee involvement is our way of life.
- Dealers and suppliers are our partners.
- Integrity is never compromised.

Living by the MVGP, Petersen said, "requires a deliberate openness in all of Ford's communications." And then he talked about employees, and employee communications. This is what he said:

"Communications with our employees come at the top of the list. In an MVGP state of mind, one of our fundamental objectives is to establish trust with our employees. One avenue is by communicating with them honestly on the facts about the company, its actions and its point of view. This must include our problems and controversies, as well as our attributes and achievements.

"I believe that what we're trying to do, for and with our employees, supports 'the worthiness of life.' This is a concept introduced to us by Dr. Peter Koestenbaum, professor of philosophy at the University of Michigan and consultant to the Ford Executive Development Center. . . .

"People, Dr. Koestenbaum says,

need to feel worthy—a need that is reflected in four important desires: The desire to be self-starters, or entrepreneurs; the desire to exhibit courage, or take responsibility; the desire for love or belonging, or being part of the team; and the desire to stand for something, to have values, principles, integrity.

"At Ford, we want these things for our people so that they can know they are participating, productive, important, worthy, involved, courageous members of our corporate team. All these things are embodied in the spirit and the letter of the MVGP.

"For example, our communications with employees let them know both good news and bad. And by knowing, they become part of it, for better or worse. That's an aspect of genuine employee involvement."

How to do this? In many cases, Petersen said, "breaking news can be disseminated almost immediately through FCN, the Ford Communications Network, our own 200-location television network that is replacing bulletin boards throughout the company, and our employee newspaper, *Ford World*, can provide coverage in depth."

Ford was No. 1 in profits in the automobile industry last year, the first time it was No. 1 since Henry was selling the Model T or Model A, and General

Motors was only a captain. Ford claims great strides and great results in surveys regarding product quality. You have to wonder how marketers come up with nameplates such as Taurus (why not Sagittarius?) or Sable (why not Mink?), but Ford is obviously doing things right.

One of the things Ford is doing right, or trying to do right, has to do with getting its workers involved.

This is something that railroads and railroad-owning companies have to do more of. Newcomers to the industry look at high labor costs and at the number of rail unions and at dragged-out contract negotiations, and their look is a look-askance. They have a point.

But there is still a residual pride in the railroad industry on the part of many if not most railroad employees. Given something they can be proud of, most railroad employees will work their tails off for it, and examples of that are not hard to find.

But there has to be communication, what Ford's Donald Petersen was talking about. And in so many cases, on so many railroads, it's lacking or it's not timely or it's limited to what management thinks should be communicated.

The news may be good, the news may be bad, but if it's news it ought to be passed along to the people who work for and with a company.

Class 1 railroad employment

Employee Group	No. of employees, mid-month count February 1987	Percent of change February 1987 from	
		February 1986	January 1987
Total—all employees	244,989	d 10.81	d 1.01
Executives, officials and staff assistants	12,343	d 7.87	d .41
Professional and administrative	45,854	d 11.85	d .50
Maintenance of way and structures	44,240	d 11.80	d 3.71
Maintenance of equipment and stores	47,914	d 9.03	d .80
Transportation (other than train and engine)	16,411	d 12.05	d 1.09
Transportation (train and engine)	78,227	d 10.89	d .05